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DEPARTMENT FOR EUR/AGS SIPDIS

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SUBJECT: PILOT PROJECT HAMBURG: CDU AND GREENS FORM FIRST STATE

COALITION

REF: A. A) HAMBURG 007

1B. B) HAMBURG 005
1C. C) BERLIN 0137

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11. (SBU) Summary: The signing of the first coalition agreement between the Christian Democratic Union (CDU) and the Greens (GAL) on the state level in Hamburg April 17 bridged a wide political divide between these one-time enemy parties. The 65-page agreement displayed unity on several issues, but the main point of contention between the two parties - the construction of a coal power plant - remained open. While both parties had national support for the coalition negotiations, national party leaders, including Chancellor Angela Merkel (CDU), remain convinced that a federal black-green (CDU-Greens) coalition is "rather unlikely" due to major differences between the two parties on defense, domestic security, and immigration issues among others. Nevertheless, if the Hamburg black-green coalition is successful in implementing innovative solutions to current political and environmental challenges, it may open up coalition options at both the state and national level in this new five-party system. The Greens and CDU state parties will submit the agreement for state party approval at their party conventions April 27 and April 28 respectively. Both parties expect their membership to easily endorse the agreement. Current CDU Mayor/Minister President Ole von Beust is expected to be re-elected by the state parliament on May 7. End Summary.

PERSONALITIES KEY TO NEGOTIATION SUCCESS

12. (SBU) Having lost its absolute majority in Hamburg's February 24 state elections, the CDU was left with the task of building a coalition government (Ref A). Following preliminary discussions with both the SPD and Greens, Mayor Ole von Beust (CDU) and CDU Party Chairman Michael Freytag decided to negotiate exclusively with the Greens. (Note: The CDU's traditional coalition partner, liberal Free Democratic Party [FDP], did not overcome the five percent hurdle to enter the state parliament in the elections. End Note.) Despite long hours of meetings over the last several weeks, both sides remarked that the negotiations were extremely open, collegial and matter-of-fact. It appears that the success of the meetings can be attributed in great part to the personalities of von Beust and Green party State Caucus Leader Christa Goetsch and State Party Chair and Federal Parliament Member Anja Hajduk. (Note: Von Beust has displayed a great deal of political flexibility in his career. He became mayor of Hamburg through coalition agreements with the

rightist-populist Schill Party in 2001. End Note.) This mutual respect and objective approach to reaching political goals will continue to be necessary for the city-state of Hamburg to handle upcoming challenges, such as ensuring energy supplies, keeping shipping-lanes open in its growing container port, and reforming a suffering school system.

ENERGY, EDUCATION AND ENVIRONMENT

 $\P3$. (SBU) In order to reach agreement both parties had to concede political goals. The three main issues of contention were school reform, dredging of the Elbe River, and the construction of a brown coal power plant. Despite calling for further-reaching reforms the Greens were able to implement a new system of six-years of combined primary school. Goetsch, a former teacher, will be Hamburg's next minister of education. The CDU was successful in ensuring that the Elbe River could be further dredged in order to accommodate the next generation of container ships although CDU Lower Saxony MP Wulff has expressed opposition to this plan. In return, the Greens were able to secure agreement that this would be the last deepening of the river and to create a government-funded endowment for ecological protection of the Elbe watershed. Finally, the two parties agreed to defer the issue of the construction of the Moorburg coal power plant to the environment and city-planning ministry, under the new leadership of Greens State Party Chair Hajduk. Hajduk will decide whether to issue the remaining permits to Vattenfall, which has already begun construction on the plant and filed suit against Hamburg on April 14 for failing to issue the final water and emissions authorizations. Parallel, the city will open up operation of its district long-distance heating system and the possible future construction of a gas power plant to European-wide competition.

NATIONAL BLACK-GREEN COALITION "HIGHLY UNREALISTIC"

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14. (SBU) Experts are split on the viability of the new black-green state-level coalition, with some saying this historical agreement opens up new options for political parties and pulls them away from their ideological positions and others indicating that the agreement is unique to Hamburg. Representatives of both parties are quick to point out that Hamburg does not serve as a model for future CDU/Greens coalitions on the state, and, in particular, the federal level. They stress the major policy differences between the CDU and the Greens to underscore the incompatibility of positions. In a discussion with Hamburg Pol/Econ officer prior to the elections, Hajduk stated that speculation about a CDU/Greens coalition was "highly unrealistic" and "difficult to conceive" due to important local policy differences between the two parties on environmental and education matters, and a Greens party base traditionally more left-leaning than average (Ref. B). As realistic as some claims of policy divisions on national level continue to be (e.g. security policy), successful coalition negotiations in Hamburg clearly underscore the willingness of both parties to bridge fundamental divisions and find common ground. On April 17, designated Greens front-runner for the 2009 Bundestag elections J rgen Trittin stated, "We are in a situation, in which red-green majorities are a distant prospect due to the blatant weakness of the SPD." Trittin pointed out that content mattered most and added that he can imagine a "black-green" coalition with Angela Merkel as chancellor.

COMMENT: RISK OR ADVANTAGE; PROSPECTS

15. (SBU) Comment: The de-facto opening up of a new coalition option, as un-replicable as it might seem in other states and at the federal level, is advantageous for both parties: the CDU has a potential option beyond grand or CDU - FDP coalitions, and the Greens can liberate themselves from the strong hold of the SPD. Even if the Hamburg solution were to remain the only black-green coalition for the time being, both parties could pressure their traditional coalition partners by pointing to Hamburg as a potential alternative, particularly if the Hamburg coalition is successful in governing the city-state. In negotiating with the opposition, both the CDU and Greens risked ostracizing traditional party membership. They appear to have overcome this obstacle through transparency within their membership and a practical approach to political problems. However, this equation might only hold true as long as the SPD refrains from forming "red-green-red" coalitions with the Left Party and the Greens. End Comment.

 $\underline{\ }$ 6. (U) This cable has been coordinated with Embassy Berlin. JOHNSON